

Fiscal Flyer

CFMA-Issue 19

October 2006

MAKING YOUR LUNCH RESERVATIONS

Your **lunch reservations** should be made using the Internet. Visit the CFMA luncheons web page (see link below) and click on the "Place Setting." You can register each month or sign up for all the lunches in one visit. Please register by 12 PM on the Wednesday before the lunch. If you need to cancel after you register, please email Dottie Relaford before noon on the Wednesday before the lunch. dottie.relaford@state.co.us.
<http://www.state.co.us/cfma/Luncheons/lunch.htm>



October Luncheon

Place: Beef Palace – Serving Chicken & Steak Fajitas.

Time: October 5, 2006 11:45am -1:30pm

Speaker: Bill Ritter, DA - Denver



President's Corner by *Mike Willihnganz*

On behalf of CFMA, we wish Mary Gallagher the best in her new endeavors in the real world of tax accounting. Is that an oxymoron? Thank you, Mary, for all of your support over the years within CFMA.

On with the show –

As you already know, we have former Denver District Attorney Bill Ritter as our guest speaker for the October 5th luncheon. We look forward to having a big audience and draw our membership up into the hundreds once again. Remember that the discounted membership fee deadline is coming up. The fall conference is also coming up fast, November 2nd at the Arvada Center. Speaking of Fas-team, these folks are getting the agenda put together with some diverse and interesting topics and speakers. Details will follow at our next luncheon as to a preliminary itinerary, CPE credits and costs. We plan to minimize the registration fees as we have done in the past.

The board received recommendations and is contemplating several changes in the typical luncheon schedule over the next year. We are strongly considering the move of the Scholarship Awards ceremony to June, to go along with the Fiscal State of the State Address from our beloved State Controller. This could improve the attendance of both our scholarship recipients and members, as well as open up new ideas for the season-opener, September luncheon. Mindy Densmore, this/next year's scholarship chairperson, has agreed to move up the scholarship screening process to achieve this schedule. We are considering a more "social" aspect for the September luncheon with karaoke, ice cream certificates and a rousing round of musical chairs. Okay, maybe not the karaoke, but definitely some blood transfusions to stimulate networking and a larger draw. We strongly welcome new members, involvement and ideas to the CFMA agenda. We also have received an invitation to the Colorado Historical Society, an on-sight luncheon and tour. These are the Susan Riehl folks that have entertained us several times as guest speakers over the past years. We will put the respective individuals together and try to arrange this, possibly in the open January time frame.

We again request your ideas for guest speakers and topics for the upcoming meetings and welcome your comments or updates in this newsletter. With a mostly new gubernatorial cabinet expected to start early next year, we will probably not be inviting the new executives until they have gotten their feet wet. Contact Lynne Gabenski with speaker ideas and Deborah Allen for newsletter topics.

Thanks to all who offer their time and effort to CFMA.

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The Controller's Corner

By the Field Accounting Services Team, State Controller's Office



What's Happening?

New Staff at SCO

The Controller's Office is pleased to announce its newest staff member. Lea Ann Baker joins the office from the Department of Transportation as its new Office Manager. Welcome!

Benchmarking Project

The project is coming to a close. The Hackett Group is in the process of preparing the preliminary results. The initial findings will be presented to the participants in late October. Your FAST member will be in touch when the meeting date has been finalized.

Quarterly Reporting

First quarter close is quickly approaching. Timely and accurate financial reporting is vital for the proper functioning of state government. Pages 275-278 in the Fiscal Procedures Manual define the policies, guidelines and procedures for preparing quarterly financial reports. Agencies should make every effort to correct all abnormal account balances, out-of-balance conditions, under-earning of revenue, or over-expenditures identified in the diagnostic reports generated by the SCO. Agencies have until the 25th of October to review the final quarter close diagnostic reports and where applicable, provide a variance disclosure statement to the State Controller's Office. Questions? Call your FAST representative.

Housekeeping Calendar Items

- The six-month rule deadline for Capital Construction projects in the Long Bill (HB 06-1385) is November 1, 2006. So get those Certifications in to the SCO SOON, because the end date on the appropriations is 11/1/06, and you know what that means!
- Annual Travel Report Turnaround forms are due to the SCO by November 3. These are available on FDW.
- As agency audits come to a close, a copy of the management representation letter is due to your FAST member when it becomes available.
- Accounts payable related to FY06 should be cleared by September 30.



From the "Brain Teaser"

Category

I am a rock group that has four members, all of whom are dead, one of which was assassinated. What am I?

Take the number of letters in the alphabet and divide by one half, then divide the result by the number of cards in a deck of playing cards. Multiply the result by the smallest prime number and the result is _____?

I didn't count the ducks I saw walking in a line, but I remember that one duck was in front of two ducks, another duck was behind two ducks and another duck between two ducks. How many ducks did I see?

A possible spy was captured, but the captors found a message that appeared quite innocent. It said: "All the trucks arrive, Charles knows when, every day. Do answer when necessary." Then Chris, an accounting major, saw the pattern and saved the day. What did Chris see?

And finally,

The Gourmet Club has 100 members. They pride themselves on their culinary sophistication, but there are some things that even these tolerant taste testers won't touch. Only 15 members have tried both Korean sea slugs and jellied cow's foot (a Polish delight.) Altogether, 72 have never tried the sea slugs and 81 have never tried jellied cow's foot. So how many members have never tried either the Korean sea slugs or the Polish jellied cow's foot?

Answers will be available in next month's newsletter.

The Bean Counter's Underground Press



By Alan Boisvert

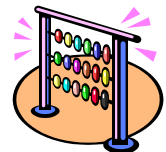
The Wall Street Journal reported that the investigation by Austrian prosecutors of more than \$2 billion in losses at Bawag P.S.K. Group, the Vienna bank, has spread to its auditor, KPMG Alpen-Treuhand GmbH. At the center of the investigation are the KPMG audits between 1994 and 2005 that failed to disclose the misreporting of the bank's assets and liabilities. It appears that the KPMG staff was helping the bank hide its losses according to an Austrian National Bank audit.

This was shocking to me because during that same period (2004 to be precise) KPMG was my auditor as well as the Bawag auditor and they never offered to help me hide anything. I believe that they also audited some of the State's departments, especially in higher education. If they offered to help you hide things, please let me know, because maybe this is an audit service I overlooked in the engagement letter.

As a matter of fact, I argued with KPMG for over a month as to how much disclosure I needed to provide to the statement readers regarding landfills that had been closed for over 20 years. Since these were closed prior to the issuance of GASB 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, I argued that they couldn't make me disclose the fact that I had a whole lot of trash hidden under tons of dirt and rocks. They thought different. Since we have an outside consultant monitor the landfills for \$75,000 a year, we finally agreed to book a liability for the net present value of that \$75,000 a year payment.

Yet the son of the head of Bawag loses 433 million Euros making bad bets on the yen, and KPMG helps the bank cover it up. Bawag is now in settlement negotiations with the U.S. Justice Department. KPMG could help there because they know a thing or two about U.S. government settlement negotiations having been fined by the IRS for \$451 million and the SEC several times in the last few years. I should check to see if that service is in the engagement letter.

The next time I interview for an audit firm I'm going to ask straight out "Hey, suppose the County lost a few hundred million euros trading derivatives, could your firm help us cover it up, and could you put that in the engagement letter?" I asked that of the state auditors once and they just stared at me with these blank looks. I guess they didn't know what derivatives were.



"The opinions expressed here are those of the author and do not necessarily represent the opinion of the Colorado Fiscal Managers Association, its Board, or its members."

2006 - 2007

OFFICERS

President	Mike Willihnganz
Vice President	Lavynia Washington
Secretary	Paul Squillace
Treasurer	Tammy Lobato

E-MAIL ADDRESS FOR THE OFFICERS AND COMMITTEE CHAIRS CAN BE FOUND ON THE CFMA WEBSITE:

[HTTP://WWW.STATE.CO.US/CFMA/HOME.HTM](http://www.state.co.us/cfma/home.htm)



"Attend three CFMA luncheons this year and get the 4th lunch free!" – CFMA Board

CFMA's very popular buy three get one free lunch program is in place for the upcoming year. If you attend all eight lunches this year, CFMA will pay for two of them. To assist in the record Keeping process, please register each month using the Web site registration and be sure to use the same name. For example, Roger Cusworth and Roger A Cusworth are treated as two people in the database used to track free lunches. You also need to be sure you check in each time you attend a luncheon.

In case you are wondering, your attendance from last year does not carry over to this year.

2006 CFMA Fall Educational Seminar

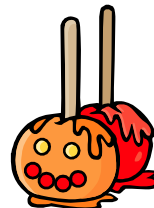
November 2, 2006

Arvada Center for the Performing Arts

Mark your calendars for Thursday, **November 2** for the Fall Educational Seminar!

The seminar will be held at the Arvada Center and is in the planning stages. We hope to have at least one general session and various breakouts. Information and registration will be available on the CFMA website within the next month.

The field accounting specialist team (**FAST**) of the State Controller's Office is busy planning the seminar. If you have any topics suggestions or would like to volunteer, please contact **Lavynia Washington** at lavynia.washington@state.co.us or any member of the FAST.



*"Do or do not. There is no try"
~ Yoda*